



FY24 Executive Budget

Schedule 01 — Executive Department Agencies

Executive Department

Management and
Regulatory Agencies
Supporting the
Executive Branch of
State Government

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01-254 Louisiana State Racing Commission Agency Overview



Mission

Supervise, regulate and enforce all statutes concerning horse racing and pari-mutuel wagering for live horse racing on-track and off-track; to collect and record taxes due to the state.



ACTIVITIES

Administrative

- Public meetings, hearing cases & issue and collect fines.
- Collection of self-generated revenues.

Veterinarian

- Perform pre-race examinations of all horses racing in Louisiana.
- Maintains the official veterinarian records and reports.

Breeders Awards, Video Poker, Board of Regents

- **Breeders Awards** – awards paid to breeders of horses in LA bred races.
- **Video Draw Poker Supplement Fund** – disbursement to the horse associations and racetracks for LA bred purse supplements.
- **Board of Regents** – disburses 33% of the 1.5% license fee of the total amount of all wagers at off-track betting parlors (OTBs).

Regulatory & Licensing

- Operations of field offices and auditors at each racetrack in Louisiana.
- Issue licenses.
- Act 437 of the 2021 Regular Session authorized a new form of pari-mutuel wagering called Historical Horse Racing (HHR).

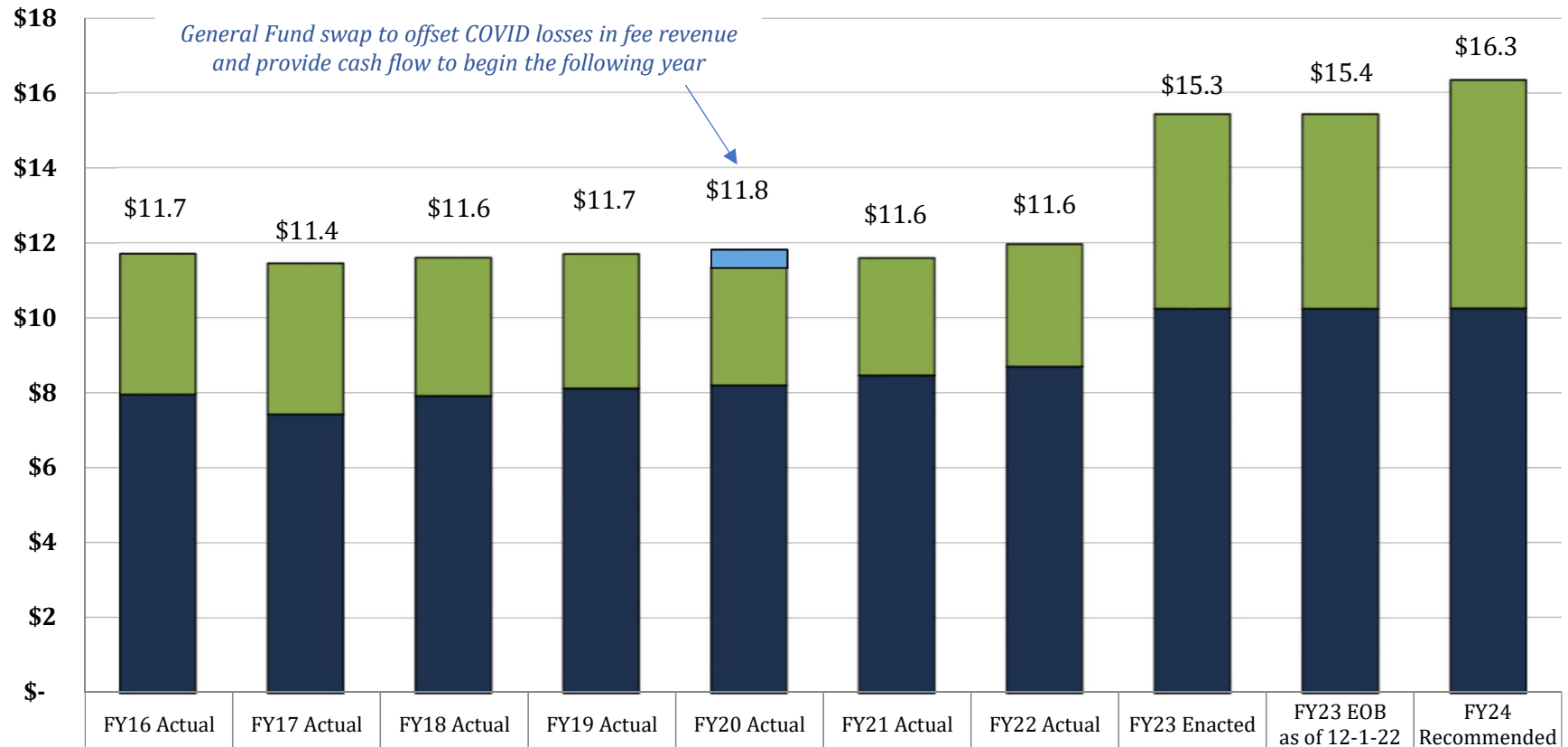


01-254 Louisiana State Racing Commission

Changes in Funding since FY16

Total Budget by Fiscal Year and Means of Finance (in \$ millions)

Change from FY16 to FY22 is -0.85%
Change from FY16 to FY24 is 31.6%



SGF	\$-	\$-	\$-	\$-	\$480,000	\$-	\$-	\$-	\$-	\$-
IAT	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
FSGR	\$3,742,581	\$4,010,041	\$3,672,351	\$3,574,294	\$3,134,932	\$3,122,917	\$3,257,028	\$5,186,761	\$5,186,761	\$6,085,527
STAT DED	\$7,955,360	\$7,428,236	\$7,916,288	\$8,114,635	\$8,198,845	\$8,459,873	\$8,697,218	\$10,230,969	\$10,230,969	\$10,238,418
FED	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-

LSRC is authorized to retain excess fees to use as seed until the next year's fees are collected.



01-254 Louisiana Racing Commission Statewide Adjustments Recommended for FY24

State General Fund (Direct)	Interagency Transfers	Fees and Self-generated Revenues	Statutory Dedications	Federal Funds	Total	T.O.	Adjustment
\$0	\$0	\$5,186,761	\$10,230,969	\$0	\$15,417,730	89	Existing Operating Budget as of 12/1/22
\$0	\$0	\$55,000	\$0	\$0	\$55,000	0	Acquisitions & Major Repairs
\$0	\$0	(\$81,484)	\$0	\$0	(\$81,484)	0	Attrition Adjustment
\$0	\$0	\$0	\$1,018	\$0	\$1,018	0	Civil Service Fees
\$0	\$0	\$10,602	\$0	\$0	\$10,602	0	Civil Service Pay Scale Adjustment
\$0	\$0	\$10,052	\$0	\$0	\$10,052	0	Group Insurance Rate Adjustment for Active Employees
\$0	\$0	\$2,548	\$0	\$0	\$2,548	0	Group Insurance Rate Adjustment for Retirees
\$0	\$0	\$0	\$3,814	\$0	\$3,814	0	Legislative Auditor Fees
\$0	\$0	\$46,077	\$0	\$0	\$46,077	0	Market Rate Classified
\$0	\$0	(\$74,839)	\$0	\$0	(\$74,839)	0	Non-recurring 27th Pay Period
\$0	\$0	(\$82,522)	\$0	\$0	(\$82,522)	0	Non-Recurring Acquisitions & Major Repairs
\$0	\$0	\$0	(\$4,990)	\$0	(\$4,990)	0	Office of State Procurement
\$0	\$0	\$0	\$12,662	\$0	\$12,662	0	Office of Technology Services (OTS)
\$0	\$0	\$117,407	\$0	\$0	\$117,407	0	Related Benefits Base Adjustment
\$0	\$0	\$28,751	\$0	\$0	\$28,751	0	Retirement Rate Adjustment
\$0	\$0	\$0	(\$5,337)	\$0	(\$5,337)	0	Risk Management
\$0	\$0	\$180,629	\$0	\$0	\$180,629	0	Salary Base Adjustment
\$0	\$0	\$0	\$282	\$0	\$282	0	UPS Fees
\$0	\$0	\$212,221	\$7,449	\$0	\$219,670	0	Total Statewide Adjustments
\$0	\$0	\$686,545	\$0	\$0	\$686,545	0	Total Other Adjustments
\$0	\$0	\$6,085,527	\$10,238,418	\$0	\$16,323,945	89	TOTAL FY 24 RECOMMENDED BUDGET
\$0	\$0	\$898,766	\$7,449	\$0	\$906,215	0	Total Adjustments (Statewide and Agency-specific)



01-254 Louisiana Racing Commission Non-Statewide Adjustments for FY24

Other Adjustments

State General Fund (Direct)	Interagency Transfers	Fees and Self-generated Revenues	Statutory Dedications	Federal Funds	Total	T.O.	Adjustment
\$0	\$0	\$60,000	\$0	\$0	\$60,000	0	Increase for a contract with Thoroughbred Racing Protective Bureau, an independent third-party investigation services, to review, audit, and report on Historical Horse Racing.
\$0	\$0	\$626,545	\$0	\$0	\$626,545	0	Increase for veterinarians and track employees due to recruitment and retention challenges for these specialized, essential positions.
\$0	\$0	\$686,545	\$0	\$0	\$686,545	0	Total Other Adjustments

Act 437 of the 2021 Regular Session authorized a new form of pari-mutuel wagering called Historical Horse Racing (HHR).

Act 381 (House Bill 326 of the 2022 Regular Session) authorized the Louisiana State Racing Commission to collect a license fee not to exceed one and one-half percent of the total amount wagered at each off-track wagering facility on historical horse racing to cover administrative costs.

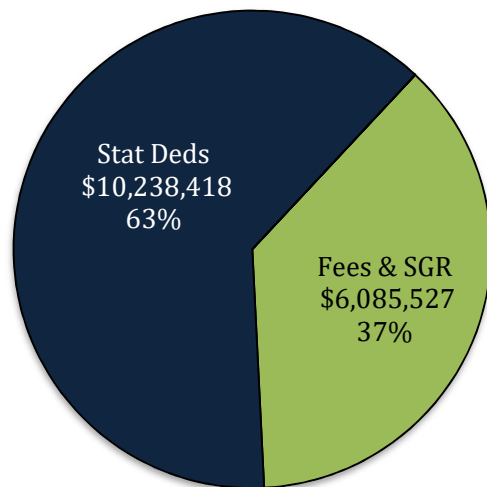


FY24 Executive Department

01-254 Louisiana State Racing Commission

Total Funding	FY22 Actual	FY23 Enacted	FY23 EOB as of 12-1-22	FY24 Recommended	Difference FY23 EOB to FY24 Recommended
General Fund	\$0	\$0	\$0	\$0	
Fees and Self Generated	\$3,257,028	\$5,186,761	\$5,186,761	\$6,085,527	\$898,766
Statutory Dedications					\$0
Video Draw Poker Device Purse Supplement Fund	\$2,970,000	\$4,090,804	\$4,090,804	\$4,090,804	\$0
Pari-mutuel Live Racing Facility Gaming Control Fund	\$5,727,218	\$6,140,165	\$6,140,165	\$6,147,614	\$7,449
TOTAL LA Racing Commission	\$11,954,246	\$15,417,730	\$15,417,730	\$16,323,945	\$906,215
T.O. Positions	82	89	89	89	0
O.C. Positions	0	0	0	0	0

FY24 Recommended Total Means of Finance



Total \$16.3 M

LSRC is authorized to retain excess fees to use as seed until the next year's fees are collected.

\$906,215 Budget Adjustments = The majority of this increase is due to an increase for veterinarians and track employees due to recruitment and retention challenges for these specialized, essential positions (\$626,545). An additional adjustment was due to an increase for a contract with the Thoroughbred Racing Protective Bureau, an independent third-party investigation service, to review, audit, and report on Historical Horse Racing. The remaining net increase is due to standard statewide adjustments.

Fees and Self-Generated Revenue = licenses, fees on wagering, admission, examinations, fines, and reimbursement of certain salaries by racing associations (\$6.1M)

Statutory Dedications:

Video Draw Poker Device Purse Supplement Fund = 1.5% of VDP net proceeds disbursed for purse supplements (\$4.1M)

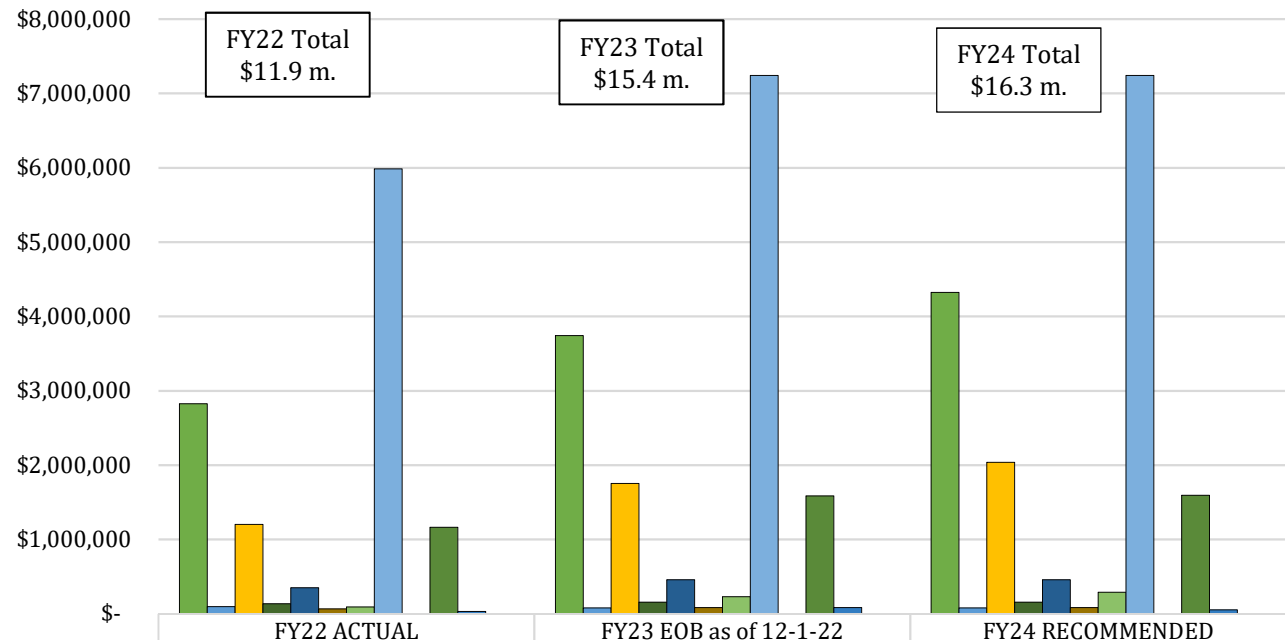
Pari-mutuel Live Racing Facility Gaming Control Fund = a portion of net proceeds from slots at the tracks to be used for LA Racing Commission operating expenses (\$6.1M)



LA State Racing Commission Categorical Expenditures FY22, FY23, and FY24

For FY24 Recommended, the largest Expenditure Category is Other Charges, which makes up about 49 percent of Total Expenditures. Other Charges include breeder awards, purse supplements and equine drug contract costs.

Personal Services contributes roughly 40 percent to the budget.



Personal Services

Operating Expenses

Professional Services

Other Charges

Acquisitions and Major Repairs

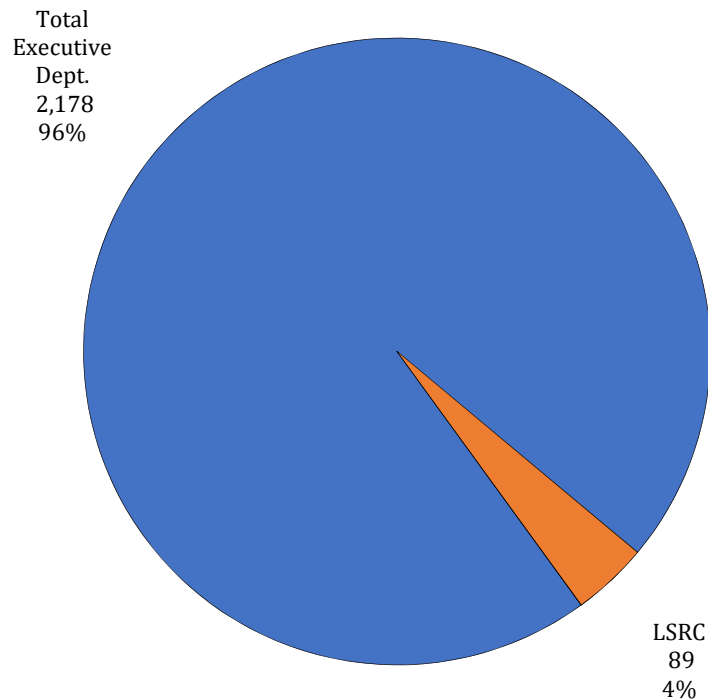
	FY22 ACTUAL	FY23 EOB as of 12-1-22	FY24 RECOMMENDED
Salaries	\$2,827,440	\$3,742,698	\$4,324,800
Other Compensation	\$98,563	\$77,592	\$77,592
Related Benefits	\$1,203,461	\$1,755,116	\$2,039,302
Travel	\$133,874	\$156,589	\$156,589
Operating Services	\$351,409	\$456,899	\$456,899
Supplies	\$66,911	\$83,750	\$83,750
Professional Services	\$91,390	\$230,964	\$290,964
Other Charges	\$5,984,847	\$7,243,540	\$7,243,540
Debt Service	\$-	\$-	\$-
Interagency Transfers	\$1,165,429	\$1,588,060	\$1,595,509
Acquisitions	\$30,921	\$82,522	\$55,000
Major Repairs	\$-	\$-	\$-



LA State Racing Commission

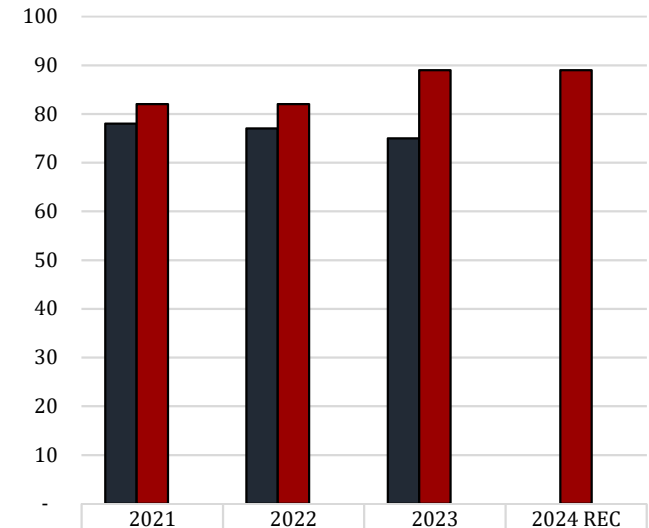
FTEs, Authorized T.O., and Other Charges Positions

**FY24 Agency Employees
as a portion of
FY24 Total Department Employees**



FY23 number of funded, but not filled,
positions as of February 27 = 8

**Number
and
Types
of
Positions**



The full-time equivalent or **FTE** definition refers to the number of hours considered full-time. For example, if an agency considers 40 hours full time, and there are two employees working 20 hours per week, those two employees would be 1.0 FTE.

Authorized Positions are those referred to in the Table of Organization (or T.O.) for each department. This count includes only those positions paid for from the Salaries expenditure category for the organization units and agencies include in each department's appropriation. This excludes positions paid for from other expenditure categories, such as wages or per diem.

Other Charges positions are authorized under R.S. 39:2(5)(b) ...

(5)(b) "Authorized other charges positions" means the number of positions in an appropriation bill to be funded by the other charges continuing category of the accounting system for the state. The number may be adjusted during a fiscal year in accordance with law.

- [Act 377 of 2013 by Rep. Burrell]
- Positions coded in the Other Charges expenditure category
- These positions are usually associated with federal grants



Louisiana State Racing Commission

Related Employment Information

Salaries and Related Benefits for the 89 Authorized Positions are listed below in Chart 1.
In Chart 2, benefits are broken out to show the portion paid for active versus retired employees.
This is where payments for the Unfunded Accrued Liability (UAL) can be found.

1.

Personal Services	2021 Actual	2022 Actual	2023 Enacted	2024 Recommended
Salaries	\$2,810,754	\$2,827,440	\$3,742,698	\$4,324,800
Other Compensation	\$58,809	\$98,563	\$77,592	\$77,592
Related Benefits	\$1,201,984	\$1,203,461	\$1,755,116	\$2,039,302
Total Personal Services	\$4,071,547	\$4,129,464	\$5,575,406	\$6,441,694

Average T.O Salary = \$53,927

Examples of Other Compensation include pay for WAE employees, part-time employees, student workers, etc.

2.

Related Benefits FY23 Recommended	Total Funding	%
Total Related Benefits	\$2,039,302	
UAL payments	\$1,340,820	60%
Retiree Health Benefits	\$85,409	
Remaining Benefits*	\$613,073	
Means of Finance	General Fund = 0%	Other = 100%

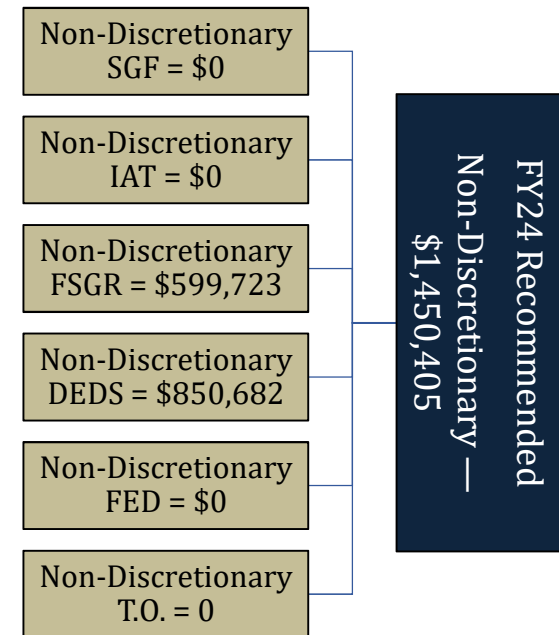
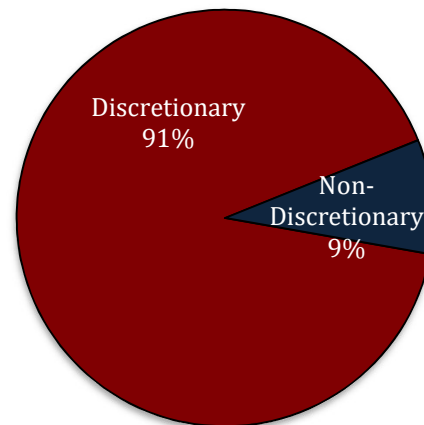
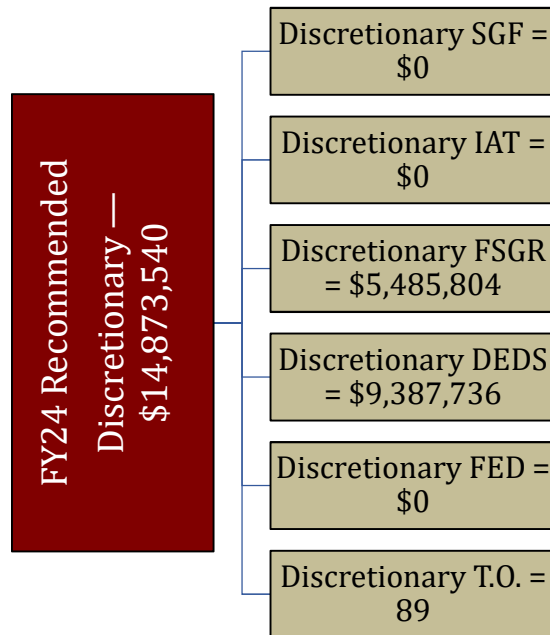
* Remaining Benefits include employer contribution to authorized positions' retirement, health, Medicare, FICA, Emoluments etc. The authorized positions include authorized T.O. positions and authorized other charges positions, both filled and vacant.

Other Charges Benefits
\$0

Department Demographics	Total	%
Gender		
Female	49	61
Male	31	39
Race/Ethnicity		
White	41	51
Black	13	16
Asian	2	3
Indian	0	0
Hawaiian/Pacific	1	1
Declined to State	23	29
Currently in DROP or Eligible to Retire	14	18



01-254 La. State Racing Commission FY24 Discretionary/Non-Discretionary Comparison



Total Discretionary Funding by Office		
Executive Office	\$18,235,435	0.39%
Office of Indian Affairs	\$0	0.00%
Office of Inspector General	\$1,689,423	0.04%
Mental Health Advocacy Service	\$0	0.00%
LA Tax Commission	\$4,020,770	0.09%
Division of Administration	\$1,026,341,025	21.75%
Coastal Protection and Restoration Authority	\$170,763,339	3.62%
GOHSEP	\$3,124,627,683	66.21%
Department of Military Affairs	\$112,209,145	2.38%
Louisiana Public Defender Board	\$47,586,699	1.01%
Louisiana Stadium and Exposition District	\$75,327,101	1.60%
Louisiana Commission on Law Enforcement	\$44,463,085	0.94%
Governor's Office of Elderly Affairs	\$66,991,714	1.42%
Louisiana State Racing Commission	\$14,873,540	0.32%
Office of Financial Institutions	\$12,241,951	0.26%
Total Discretionary	\$4,719,370,910	100.00%

Total Non-Discretionary Funding by Type		
UAL Obligation	\$ 1,340,820	92%
Legislative Auditor Fees	\$ 24,176	2%
Retirees Group Insurance	\$ 85,409	6%
Total Non-Discretionary	\$ 1,450,405	100%



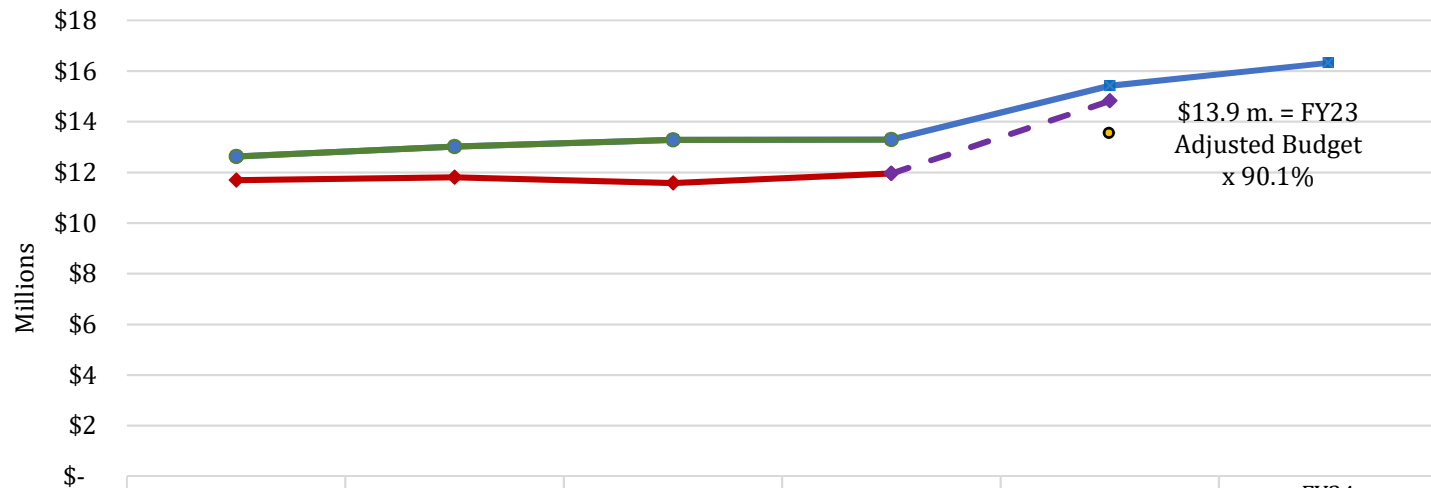
01-254 LA State Racing Commission

Enacted & FYE Budget vs. Actual Expenditures FY19 to FY22

FYE Budget = "Fiscal Year End" Budget includes all in-house and regular BA-7s through June 30 of the fiscal year. For FY23, it is as of January.

**FY23 Known
Supplemental Needs:**
\$0

**FY22 General Fund
Reversions:**
\$0



	FY19	FY20	FY21	FY22	FY23 EOB	FY24 Recommended
Enacted Budget	\$12,629,556	\$13,019,837	\$13,280,865	\$13,292,042	\$15,417,730	\$16,323,945
FYE Budget	\$12,629,556	\$13,019,837	\$13,280,865	\$13,292,042		
Actual Expenditures	\$11,688,929	\$11,813,777	\$11,582,791	\$11,954,246		
FY23 Expenditure Trend				\$11,954,246	\$14,821,258	

Monthly Budget Activity				
	FY23 Adjusted Budget	FY23 Aggregate Expenditures	Remaining Budget Authority	Percent Expended To Date
Jul-22	\$ 15,417,730	\$ 1,817,632	\$ 13,600,098	11.8%
Aug-22	\$ 15,417,730	\$ 2,584,827	\$ 12,832,903	16.8%
Sep-22	\$ 15,417,730	\$ 3,858,577	\$ 11,559,153	25.0%
Oct-22	\$ 15,417,730	\$ 4,789,597	\$ 10,628,133	31.1%
Nov-22	\$ 15,417,730	\$ 6,003,743	\$ 9,413,987	38.9%
Dec-22	\$ 15,417,730	\$ 7,199,391	\$ 8,218,339	46.7%
Jan-23	\$ 15,417,730	\$ 8,645,734	\$ 6,771,996	56.1%

Monthly Budget Activity				
	FY23 Adjusted Budget	FY23 Aggregate Expenditures	Remaining Budget Authority	Percent Expended To Date
<i>(Trend based on average monthly expenditures to date)</i>				
Feb-23	\$ 15,417,730	\$ 9,880,839	\$ 5,536,891	64.1%
Mar-23	\$ 15,417,730	\$ 11,115,943	\$ 4,301,787	72.1%
Apr-23	\$ 15,417,730	\$ 12,351,048	\$ 3,066,682	80.1%
May-23	\$ 15,417,730	\$ 13,586,153	\$ 1,831,577	88.1%
Jun-23	\$ 15,417,730	\$ 14,821,258	\$ 596,472	96.1%

Historical Year End Average

90.1%



Louisiana Racing Commission – Agency Specific Issues

Historic Horse Racing or HHR (Act 437 of 2021) was authorized by the legislature in 2021 that tasked the LSRC with its regulation. Since then, the LSRC has approved the operation of Historic Horse Racing in 18 off-track betting locations. Currently there are 473 certified and approved HHR terminals that allow pari-mutuel wagering on horse races that already occurred, or Historic Horse Races.

The legislation limited the number of terminals to 50 per location. Initial HHR license fees have been collected and deposited by LSRC from 3 of the 4 Associations, or racetracks, with recurring fees authorized by Act 381 of 2022. One Association or racetrack has yet to apply for authorization to conduct HHR wagering. The LSRC has set the recurring fee at 1% of the total amount wagered on HHR terminals to cover administrative costs.

The LSRC has contracted with two entities to ensure the integrity of the pari-mutuel wagers. Gaming Laboratories International (GLI) acts as the LSRC's Independent Testing Lab, pursuant to HHR Rules and Regulations, to certify that HHR Terminals and Totalizator Systems hardware and software are technically and mechanically accurate. The LSRC has also contracted with the Thoroughbred Racing Protective Bureau (TRPB) to act as its Integrity Auditor to ensure the accuracy of Historic past race information and HHR pari-mutuel wagering activity to ensure the accuracy and integrity of pari-mutuel pools.



Louisiana Racing Commission – Agency Specific Issues

Pass-through and mandatory funding in FY24 Recommended Budget

\$4.1M Purse Supplement Pass Through Funds (*dedicated VDP revenue*)

1.7M Breeder Awards (*minimum statutory payout is budgeted*)

1.5M LSU Contract for Equine Testing (*mandatory for races to occur*)

0.4M Board of Regents Payment (*statutory; portion of OTB revenues*)

0.2M Attorney General for legal services (*statutory*)

0.1M LA Dept. of Agriculture pass-through to promote horse racing industry (*statutory*)

\$8 M TOTAL (~49% of budget)